

105TH CONGRESS
2D SESSION

H. R. 3175

To amend the Internal Revenue Code of 1986 to reduce individual income taxes by increasing the amount of taxable income which is taxed at the lowest income tax rate.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 1998

Mr. THORNBERRY introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to reduce individual income taxes by increasing the amount of taxable income which is taxed at the lowest income tax rate.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as “The
5 Better Bracket Act of 1998”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment

1 to, or repeal of, a section or other provision, the reference
 2 shall be considered to be made to a section or other provi-
 3 sion of the Internal Revenue Code of 1986.

4 (c) SECTION 15 NOT TO APPLY.—No amendment
 5 made by section 2 shall be treated as a change in a rate
 6 of tax for purposes of section 15 of the Internal Revenue
 7 Code of 1986.

8 **SEC. 2. REDUCTION IN INDIVIDUAL INCOME TAX RATES.**

9 (a) GENERAL RULE.—Section 1 (relating to tax im-
 10 posed) is amended by striking subsections (a) through (e)
 11 and inserting the following:

12 “(a) MARRIED INDIVIDUALS FILING JOINT RETURNS
 13 AND SURVIVING SPOUSES.—There is hereby imposed on
 14 the taxable income of—

15 “(1) every married individual (as defined in sec-
 16 tion 7703) who makes a single return jointly with
 17 his spouse under section 6013, and

18 “(2) every surviving spouse (as defined in sec-
 19 tion 2(a)),

20 a tax determined in accordance with the following table:

“If taxable income is:	The tax is:
Not over \$58,000	15% of taxable income.
Over \$58,000 but not over \$102,300.	\$8,700, plus 28% of the excess over \$58,000
Over \$102,300 but not over \$155,950.	\$21,104, plus 31% of the excess over \$102,300
Over \$155,950 but not over \$278,450.	\$37,735.5, plus 36% of the excess over \$155,950
Over \$278,450	\$81,835.5, plus 39.6% of the excess over \$278,450

1 “(b) HEADS OF HOUSEHOLDS.—There is hereby im-
 2 posed on the taxable income of every head of a household
 3 (as defined in section 2(b)) a tax determined in accordance
 4 with the following table:

“If taxable income is:	The tax is:
Not over \$47,000	15% of taxable income.
Over \$47,000 but not over \$87,700.	\$7,050, plus 28% of the excess over \$47,000
Over \$87,700 but not over \$142,000.	\$18,446, plus 31% of the excess over \$87,700
Over \$142,000 but not over \$278,450.	\$35,279, plus 36% of the excess over \$142,000
Over \$278,450	\$84,401, plus 39.6% of the excess over \$278,450

5 “(c) UNMARRIED INDIVIDUALS (OTHER THAN SUR-
 6 VIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There
 7 is hereby imposed on the taxable income of every individ-
 8 ual (other than a surviving spouse as defined in section
 9 2(a) or the head of a household as defined in section 2(b))
 10 who is not a married individual (as defined in section
 11 7703) a tax determined in accordance with the following
 12 table:

“If taxable income is:	The tax is:
Not over \$35,000	15% of taxable income.
Over \$35,000 but not over \$61,400.	\$5,250, plus 28% of the excess over \$35,000.
Over \$61,400 but not over \$128,100.	\$12,642, plus 31% of the excess over \$61,400.
Over \$128,100 but not over \$278,450.	\$33,319, plus 36% of the excess over \$128,100.
Over \$278,450	\$87,445, plus 39.6% of the excess over \$278,450.

13 “(d) MARRIED INDIVIDUALS FILING SEPARATE RE-
 14 TURNS.—There is hereby imposed on the taxable income
 15 of every married individual (as defined in section 7703)

1 who does not make a single return jointly with his spouse
 2 under section 6013, a tax determined in accordance with
 3 the following table:

“If taxable income is:	The tax is:
Not over \$29,000	15% of taxable income.
Over \$29,000 but not over \$51,150.	\$4,350, plus 28% of the excess over \$29,000
Over \$51,150 but not over \$77,975.	\$10,552, plus 31% of the excess over \$51,150
Over \$77,975 but not over \$139,225.	\$18,867.75, plus 36% of the excess over \$77,975
Over \$139,225	\$40,917.75, plus 39.6% of the excess over \$139,225

4 “(e) ESTATES AND TRUSTS.—There is hereby im-
 5 posed on the taxable income of—

6 “(1) every estate, and

7 “(2) every trust,

8 taxable under this subsection a tax determined in accord-
 9 ance with the following table:

“If taxable income is:	The tax is:
Not over \$1,700	15% of taxable income.
Over \$1,700 but not over \$4,000 ..	\$255, plus 28% of the excess over \$1,700.
Over \$4,000 but not over \$6,100 ..	\$899, plus 31% of the excess over \$4,000.
Over \$6,100 but not over \$8,350 ..	\$1,550, plus 36% of the excess over \$6,100.
Over \$8,350	\$2,360, plus 39.6% of the excess over \$8,350.”.

10 (b) INFLATION ADJUSTMENT TO APPLY IN DETER-
 11 MINING RATES FOR 1999.—Subsection (f) of section 1 is
 12 amended—

13 (1) by striking “1993” in paragraph (1) and in-
 14 serting “1998”,

1 (2) by striking “1992” in paragraph (3)(B) and
2 inserting “1997”, and

3 (3) by striking paragraph (7).

4 (c) CONFORMING AMENDMENTS.—

5 (1) The following provisions are each amended
6 by striking “1992” and inserting “1997” each place
7 it appears:

8 (A) Section 25A(h).

9 (B) Section 32(j)(1)(B).

10 (C) Section 41(e)(5)(C).

11 (D) Section 42(h)(6)(G)(i)(II).

12 (E) Section 68(b)(2)(B).

13 (F) Section 135(b)(2)(B)(ii).

14 (G) Section 151(d)(4).

15 (H) Section 221(g)(1)(B).

16 (I) Section 512(d)(2)(B).

17 (J) Section 513(h)(2)(C)(ii).

18 (K) Section 877(a)(2).

19 (L) Section 911(b)(2)(D)(ii)(II).

20 (M) Section 4001(e)(1)(B).

21 (N) Section 4261(e)(4)(A)(ii).

22 (O) Section 6039F(d).

23 (P) Section 6334(g)(1)(B).

24 (Q) Section 7430(c)(1).

1 (2) Subparagraph (B) of section 59(j)(2) is
2 amended by striking “, determined by substituting
3 ‘1997’ for ‘1992’ in subparagraph (B) thereof”.

4 (3) Subparagraph (B) of section 63(c)(4) is
5 amended by striking “by substituting for” and all
6 that follows and inserting “by substituting for ‘cal-
7 endar year 1997’ in subparagraph (B) thereof ‘cal-
8 endar year 1987’ in the case of the dollar amounts
9 contained in paragraph (2) or (5)(A) or subsection
10 (f).”

11 (4) Subparagraph (B) of section 132(f)(6) is
12 amended by inserting before the period “, deter-
13 mined by substituting ‘calendar year 1992’ for ‘cal-
14 endar year 1997’ in subparagraph (B) thereof”.

15 (5) Paragraph (2) of section 220(g) of such
16 Code is amended by striking “by substituting ‘cal-
17 endar year 1997’ for ‘calendar year 1992’ in sub-
18 paragraph (B) thereof”.

19 (6) Subparagraph (B) of section 685(c)(3) is
20 amended by striking “, by substituting ‘calendar
21 year 1997’ for ‘calendar year 1992’ in subparagraph
22 (B) thereof”.

23 (7) Subparagraph (B) of section 2032A(a)(3) is
24 amended by striking “by substituting ‘calendar year

1 1997’ for ‘calendar year 1992’ in subparagraph (B)
2 thereof”.

3 (8) Subparagraph (B) of section 2503(b)(2) is
4 amended by striking “by substituting ‘calendar year
5 1997’ for ‘calendar year 1992’ in subparagraph (B)
6 thereof”.

7 (9) Paragraph (2) of section 2631(c) is amend-
8 ed by striking “by substituting ‘calendar year 1997’
9 for ‘calendar year 1992’ in subparagraph (B) there-
10 of”.

11 (10) Subparagraph (B) of section 6601(j)(3) is
12 amended by striking “by substituting ‘calendar year
13 1997’ for ‘calendar year 1992’ in subparagraph (B)
14 thereof”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 1998.

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